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Turks and Caicos Islands

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I. General

1. The Territory of the Turks and Caicos Islands[1] comprises 40 islands and cays, which lie 145 kilometres north of Haiti and the Dominican Republic and 925 km south-east of Miami, United States of America. Of these islands, only six are permanently inhabited: Grand Turk, where the capital, Cockburn Town, is located; Salt Cay; South Caicos; Middle Caicos; North Caicos and Providenciales. The total population of the Territory was estimated at 18,738 in 2002, not including some 5,000 to 6,000 immigrants from Haiti and the Dominican Republic. Most of the population resides on the two principal islands, Grand Turk, which is the administrative centre, and Providenciales, which is the business centre of the islands. Of the other populated islands, South Caicos has 10.5 per cent of the total population; North Caicos 11.1 per cent; Middle Caicos has 2.3 per cent; and Salt Cay, 1.8 per cent. Most of the people are of African descent, the rest being mixed or of European origin. English is the main language, with some Creole spoken by Haitian immigrants. The religion is Christianity; the Anglican Communion predominates.

2. The Turks and Caicos Islands were discovered by the Spanish in 1512. In 1678, Bermudans established a solar salt industry. The Islands were settled by royalist sympathizers from the United States after the War of Independence; they established cotton plantations, employing slaves. Between 1833 and 1843, slavery was abolished and the plantation owners left the Islands, leaving their former slaves in possession. From 1874 to 1959, the Turks and Caicos Islands were governed by Britain as a dependency of Jamaica. The Islands became a separate colony of the United Kingdom of Great Britain and Northern Ireland in 1962, under the control of the Bahamas Islands, but with Bahamian independence in 1973, the Turks and Caicos were placed under a British Governor at Grand Turk.

II. Constitutional, legal and political issues

3. The Turks and Caicos Islands is a Non-Self-Governing Territory of the United Kingdom with a ministerial system of government. Under the provisions of the 1976 Constitution, amended in 1988, executive power is vested in the Governor, appointed by the Queen. The Constitution provides for an Executive Council and a Legislative Council. The Governor is responsible for foreign affairs, internal security, defence, the appointment of public officers, offshore finance and certain other matters, but is otherwise required to act on the advice of the Executive Council. The Executive Council consists of the Governor, six elected members of the Legislative Council and two official members (Chief Secretary and Attorney General). The Legislative Council consists of 19 members. There are 13 representatives elected by popular vote, 3 appointed by the Governor and 3 ex officio members of the Executive Council.

4. The legal system, based on English Common Law, includes a Supreme Court and a Court of Appeal, and has provision for appeal to the Privy Council in London. The Attorney General and Chief Justice are currently United Kingdom technical cooperation officers, as are the Senior Crown Counsel, the Legal Draftsman, the Deputy Commissioner of Police and the Head of the Criminal Investigation Division. The Police Development Project supports the provision of a further two

technical cooperation officers: an Assistant Commissioner of Police and a Financial Crimes Investigation Officer.

5. In December 2002, a new Governor, James Poston, was sworn into office.[2]

6. There are two main political parties in the Territory, namely, the People's Democratic Movement (PDM) and the Progressive National Party (PNP), formed in 1975 and 1980 respectively. A third party, the United Democratic Party (UDP), was set up in 1993 by a former PDM deputy leader.

7. In April 2003, PDM, led by the Chief Minister, Derek Taylor, was elected to an unprecedented third consecutive term in office. PDM won 7 of the 13 seats in the Legislative Council, down from the nine seats it had occupied during the previous term. The opposition PNP party, led by Michael Misick, won the other six seats, increasing its representation by two seats, as compared to that in the 1999-2003 parliamentary term. PDM focused its election campaign on sustained economic growth, averaging over 5 per cent annually during the past five years. PNP campaigned on a nationalistic platform, criticizing the ruling party for its policy, which brought massive immigration to the Territory, and using a slogan "Turks and Caicos Islanders First". Over 6,500 persons were eligible to cast votes for 27 candidates, including one running independently.[3]

8. The results of the elections in two electoral districts were contested in court by the defeated PNP candidates who demanded that a by-election be held in those districts. After the irregularities and certain violations had been recognized by the court, the Chief Minister-elect tried to propose that a new general election be held. However, the Governor of the Territory did not agree to the proposal and supported the proposal of the Opposition to hold a by-election in the two districts in question. The by-election took place in August 2003 and brought victory to the PNP candidates. As a result, PNP received a majority of seats in the Legislative Council. Observers from the United Kingdom and the Caribbean Community were present. The new Chief Minister is Derek Taylor.[4]

9. In March 1999, the Government of the United Kingdom issued a White Paper on the relationship between the United Kingdom and its Overseas Territories, entitled "Partnership for progress and prosperity: Britain and the Overseas Territories" (see A/AC.109/1999/1, annex and A/AC.109/1999/18, para. 37). The White Paper proposed the extension of British citizenship to the citizens of the Territories. At the same time, it required the Territories to amend their local legislation, in particular on human rights and on the regulation of financial services, to meet international standards. The British Overseas Territories Act 2002 came into force in May 2002.

10. In September 2002, the Constitutional Review Body presented the constitutional modernization review report which, inter alia, reflected public concerns and made recommendations related to limiting the powers of the Governor and creating a permanent Deputy Governor position, as well as others regarding the executive, legislative and judicial organs of the Territory (see A/AC.109/2003/8, paras. 7-11).

11. During meetings on the future constitutional status of the Territory, the report indicated that there were a number of proponents of full internal self-government. However, according to the report, once the members of the Constitutional Review Body explained that a decision to advance full internal self-government would have

to be accompanied by the setting of a timetable for independence, enthusiasm for the proposal dissipated. According to that body, no one expressed any support for independence.

12. By the end of 2003, the proposals for review of the Constitution, forwarded to the United Kingdom through the Governor, had not yet been approved. During the Overseas Territories Consultative Council meeting convened in London in December 2003, the Chief Minister expressed disappointment with the delay in the approval of the proposed changes in the local constitution and with the lack of discussion of the key issues of the constitution between the United Kingdom and the local Government. He also argued against the justification by the United Kingdom for the strong powers granted to the Governors because of the need to ensure good governance and its contingent liabilities in the event of disasters. In particular, he noted that if the United Kingdom intended simply to impose its will, the Overseas Territories Consultative Council would "be reduced to talking shop". According to the Chief Minister, most Territories had high standards of Government and had capable politicians. Those politicians who strayed could be voted out of office. He considered it important, in the twenty-first century that elected politicians should be free to govern the Territories. Governors were properly responsible for foreign affairs, defence and internal security but should not have control over the public service or the appointment of judges. The involvement of a Governor did not guarantee the independence of the judiciary or the public service. The Chief Minister considered that this should be left to independent commissions.

13. He recognized that Governors had an important role to play. However, the lack of a clear understanding as to where the powers of a Territory Government ended and where those of the United Kingdom began, risked creating confusion and conflict. The Governor's role should be diluted not strengthened, with sufficient checks to ensure good governance.

14. The Chief Minister sought clarification on the issue of the distribution of responsibilities between domestic and international affairs. He considered that the Territories should have new responsibility f . international affairs, the handling of which was currently in the Governor's domain. The representative of the Foreign and Commonwealth Office (United Kingdom) explained that the distinction between domestic and international issues (e.g., aviation and maritime issues) was becoming increasingly blurred, which explained, in part, the different format for the 2003 meetings and the engagement of other government departments. The Chief Minister of the Territory considered that the difference was not so blurred as to justify the involvement of Governors. He also considered that only elected members should be members of the Executive Council or Cabinet and that Governors should consult Chief Ministers even on matters related to their reserved powers. In that respect, the Chief Minister was against the participation of the Governors in the meeting. He wanted the Chief Ministers to be able to engage in a free and frank discussion.

15. The Chief Minister further claimed that the United Kingdom had slowed down the process of the constitutional review by not responding to the report of the Turks and Caicos Constitutional Review Body. In response, the representative of the Foreign and Commonwealth Office noted that, at the talks earlier in 2003, both the Government of the Territory and the Opposition had agreed that the report should not be addressed until the elections had been concluded. According to the Foreign and Commonwealth Office, the way to proceed was for the Territory to collate the

comments from the Legislative Assembly debate on the recommendations and forward them to London. The Foreign and Commonwealth Office would then arrange for constitutional talks with Governors and the opposition representatives in London. It maintained that the impetus for change rested with the Territories, not with the United Kingdom.

16. With respect to contingent liabilities, the United Kingdom stated that it was legally liable if an Overseas Territory breached its international obligations, and would come under strong moral pressure to assist in the event of any crisis that a Territory could not afford to remedy, such as if an aeroplane were destroyed by a terrorist bomb. The Chief Minister of the Territory argued, however, that the United Kingdom's emphasis on contingent liabilities was a smoke screen, as the United Kingdom never admitted to legal liability. He also noted that most Territories carried insurance against such contingencies. The Turks and Caicos Islands insured itself for $600 million.

17. Another issue of importance to the Turks and Caicos Islands, raised at the meeting in London, was the degree of self-government. The Chief Minister understood that full internal self-government did not have to be linked to independence, but that if it were, the Territory would want to know its time frame for independence. The United Kingdom, on the other hand, maintained the position that a constitution encompassing a full measure of internal self-government (e.g., a Bermuda-style constitution) was a pre-independence constitution. The policy of the United Kingdom on independence was clear: Territories could exercise that choice, where it was an option, and as long as it was the clearly expressed wish of the people of the Territory. While it maintained a relationship with the Territory, however, the United Kingdom would have to retain sufficient powers to protect its overall responsibility for the Territory concerned (see sect. VI below).

III. Economic conditions

A. General

18. Since the 1980s, the main sectors of the economy have been upmarket tourism and international financial services. Foreign investors, mainly from Canada, the United Kingdom and the United States of America, play a significant role in the economic life of the Turks and Caicos Islands. The main areas of private investment are tourism property development, real estate, international finance and fishing, focused on the island of Providenciales. The average gross domestic product (GDP) grew by approximately 8 per cent per year during the 1990s, rising from 69 million United States dollars in 1990 to $199 million in 1999. Although unemployment never fell below 12 per cent and the growth was unevenly distributed between the constituent islands, the economic well-being of the population improved considerably.

19. During 2003, the United Kingdom decided that, beginning in March 2005, it would stop providing certain grants to the Turks and Caicos Islands. That decision would mean, inter alia, that the local government would have to pay the salaries of the Chief Justice, Attorney General and a few other key British civil servants based in the Territory. In recent years, Britain had stopped providing money to the Turks and Caicos Islands for building schools, roads and for other capital works because,

according to European Union standards, it was regarded as a middle-income Territory and was thus not eligible for assistance. The last capital grant from the United Kingdom to the Territory was just over 1 million British pounds in 2003. Confirming the measure, the Governor noted that contracts scheduled for completion beyond that deadline would continue to be paid until finished. According to the Governor, the United Kingdom's position was that where a Territory decided that it did not wish to tax its own citizens, the question would be raised politically at home as to whether or not the United Kingdom tax payer should continue to make a financial contribution. He also stated that the United Kingdom did recognize its continuing responsibility and, in cases that were beyond the day-to-day means of the Overseas Territory, such as in the case of a major disaster, it would provide assistance. The funding would also continue for environmental programmes and some regional projects.

20. In presenting the decision, the Governor linked this measure with the issue of independence. He noted that if the Territories were ultimately aspiring to independence they should get used to not having "handouts and direct maintenance" from the United Kingdom. He said that the Overseas Territories could feel free to go to the international market and seek funding for capital projects, but that if the borrowing got out of hand and the economy collapsed, there would be a risk that the creditors would call on the British Government to repay the money.[5]

21. In December 2003, the Government of the Territory signed an agreement on the borrowing guidelines developed by the United Kingdom for its Overseas Territories. The Chief Minister of the Territory hoped that the guidelines would not constrain access to the needed funds. In order to coordinate actions in the rapidly changing economic environment, the Government planned to host a conference in June 2004 on the challenges facing small island economies.

B. Budget

22. The budget is projected on a biennial basis, with the fiscal year beginning in March (see A/AC.109/2003/8, paras. 13-17).

C. Financial services

23. Constitutional responsibility for the Turks and Caicos Islands offshore finance sector rests with the Governor. The United Kingdom Technical Cooperation Programme supports the sector through the provision of the Superintendent and the Deputy Superintendent of the Financial Services Commission. The regulatory structure set up through the Banking Ordinance of 1979 and the Companies and Insurance Ordinance of 1981 was updated and extended in 1990 and 1992.[6] Among the attractions for offshore companies are the use of the United States dollar as the official currency, the absence of direct taxation, a growing financial infrastructure, fast and straightforward company registration procedures, extensive financial freedom and confidentiality.

24. Offshore finance is the second largest source of external revenue after tourism and the third largest employer in the Territory. It contributes 10 per cent to GDP. The number of major international accounting and financial service companies that operate out of Providenciales is more than 17,000.[7]

25. During 2003, the Government of the Turks and Caicos Islands continued to improve its regulatory environment in order to comply with international standards. In particular, it reorganized its financial services regulatory functions to follow the recommendations provided in a study undertaken by the consulting firm KPMG regarding financial regulations in Caribbean domiciles. The Government created, inter alia, a financial services commission to oversee banking, insurance and other financial services, separating the regulatory function from the Ministry of Finance. It also made several amendments to its Insurance Ordinance of 1989, which strengthened the authority of regulators to investigate companies and inspect records, while not interfering with the Territory's secrecy laws governing disclosure of company information.[8]

26. At the beginning of 2004, the Government of the Turks and Caicos Islands agreed to levy a withholding tax on the interest income of European Union residents in order to comply with the requirements of the European Union savings tax directive. However, the measure is expected to have little application in the Territory, which appears to hold little interest income from European Union residents. In addition, the Government conditioned its commitment with a stipulation that its financial sector would be treated on the same basis as other jurisdictions, including Switzerland, Liechtenstein, San Marino, Andorra and Monaco. The Chief Minister stated that the Government of the Territory had decided to legislate the implementation of the directive in recognition of its relationship with the United Kingdom and because it had a desire to foster the development of standards in matters of international finance.[9]

27. According to the insurance regulator reports released in 2003, the Turks and Caicos Islands saw further growth in the captive insurance sector. The number of captives registered at the end of 2002 grew to 143, from 134 registered at the end of the previous year. The number of life insurers licences reached 2,000.[10]

D. Agriculture, fisheries, construction and manufacturing

28. Agricultural production is small and concentrated in North Caicos. The sector has begun to grow recently, with more produce available for sale in Providenciales and the establishment of a new farmers cooperative. Fishing, a traditional activity, is the only significant productive sector and contributes 2-3 per cent to GDP. Conch and lobster are the main catches. About 20 per cent of the working population is involved in agriculture and fishing. The Turks and Caicos Islands is home to the world's only commercial conch farm, raising domestic conch for export. Several fish farms are being developed on an experimental basis to produce tilapia for international markets. The production of high-value, value-added and specialty export products has an important potential for growth and investments in the Territory. Some examples include: fin fish and shrimp farming, tropical fish breeding, hydroponic gardening and ornamental horticulture. The demand for local farm produce exceeds the supply.[11]

29. According to the information from the administering Power, the 2001-2004 budget allocated $1,472,200 to the Office of the Minister for Natural Resources, which includes $418,800 for 2002-2003 and $248,800 for the year 2003-2004. For agriculture pilot projects, the budget allocated $50,000 for the year 2001-2002 and

$70,000 for the year 2002-2003. The budget for 2001-2002 also allocated $150,000 for a coastal resources management project.

30. According to data released by the Economist Intelligence Unit in 2003, the lobster catch grew by 44 per cent and reached 900,473 pounds. In 2002, the export of lobster and its products reached 5,480 pounds and 114,500 pounds, respectively. However, conch landings declined by 21 per cent to 1,170 pounds and the export of conch products also fell. In addition, the competition from Jamaica and Honduras depressed the price of conch, exacerbating the decline in export earnings.[12]

31. Apart from the production of handicrafts for the tourism trade, the only manufacturing activity is the semi-processing of imported rice for re-export to the European Union, benefiting from duty preferences under the Lomé Convention. Operations were begun in 1994 but have been reduced since early 1997, when the European Union imposed a restrictive quota on rice imports from African, Caribbean and Pacific countries via the overseas countries and territories regime.[13]

32. An international construction company is based in the Turks and Caicos Islands. Sand and rock are quarried locally for use in construction projects, most significantly for hotels and commercial buildings.[13] The construction and real estate market continues to grow. It includes domestic housing and various upmarket resort and beach properties.

E. Tourism

33. During the period under review, the Turks and Caicos Islands tourism sector continued to record one of the fastest growth rates in the entire Caribbean. Tourist arrivals for the first quarter of 2003 showed an increase of 42.3 per cent over the same period in the previous year, namely 62,505 visitors compared with 43,896 in 2002. A total of 15,307 cruise passengers came to the Territory during the first three months of 2003, accounting for 24.4 per cent of the overall arrival figures.[14]

34. In November 2003, the Government signed a development agreement for the $35 million Carnival cruise ship port project in Grand Turk. According to local media reports, the Government has been very proactive in securing this project. Following approval of the blue prints, full-scale construction is expected to begin between May and July 2004, with completion by the end of 2005. The new Grand Turk facility will be able to accommodate two mega-ships simultaneously. Some of the ships are more than 1,000 feet long and carry more than 3,500 passengers. According to the Chief Minister, the presence of the cruise ships would boost economic development in Grand Turk and enable the Territory to compete with other Caribbean tourist centres as a new destination. The pier would not be exclusively for the use of the Carnival Corporation.[15]

F. Infrastructure

35. Transport and communication facilities are of a good standard, reflecting the Territory's relatively high income and the developing offshore financial sector. There are international airports on Providenciales, Grand Turk, North Caicos and South Caicos, and paved airstrips on Middle Caicos and Salt Cay. American Airlines, Trans World Airlines and Delta Air Lines operate to the United States.

British Airways has provided services since June 2001. In season, there are charter flights from several North American cities, including Boston, Chicago, Detroit, New York, Philadelphia and Toronto. Inter-island air services are provided by Turks and Caicos Airways and numerous local charters. Flights are also available to the Bahamas, Haiti, the Dominican Republic, Puerto Rico, Cuba and Jamaica. In 2002, US Air announced that it would operate four flights weekly from Charlotte, North Carolina, to Providenciales.[16]

36. In January 2003, following extensive negotiations, the Government of the Turks and Caicos Islands reached final agreement for the construction of Grand Turk International Airport. The construction comprises a new state-of-the-art terminal building, car parks, landscaping, access roads, extensions to the runway, resurfacing of the existing runway and upgrading airport landing lights. The project will provide first-class airport facilities for Grand Turk.

37. Grand Turk, Providenciales, South Caicos and Salt Cay have ports. The road network covers about 130 kilometres, with paved roads on Grand Turk, Providenciales and the Caicos Islands.

38. Cable and Wireless, a British telecommunications company, provides domestic and international telephone services. There are 12 cable channels on Grand Turk and 32 on Providenciales, and six radio stations. There are no daily newspapers. The *Free Press* and the *Turks and Caicos News* are published weekly, and the *Times of the Islands*, a magazine aimed at business and tourism, is issued quarterly. All electricity services use diesel generators, are operated by private companies and conform to United States standards of supply and reliability.[17]

39. As in other Caribbean countries and Territories, the liberalization of the telecommunications industry had an impact on the Turks and Caicos Islands. According to the Economist Intelligence Unit, the telecommunication company Digicel, which is currently well established in Jamaica and some other countries in the region, applied for licences in the Turks and Caicos Islands.[18]

IV. Social conditions

A. General

40. The expansion in the tourism and offshore finance sectors has resulted in favourable economic growth, but activities in that area are concentrated almost totally on one island, Providenciales. Thus, economic opportunities are not equally distributed among the islands. Unemployment varies between 14 and 20 per cent on the other islands, while Providenciales boasts almost full employment. Inter-island migration is common, particularly migration to Grand Turk, where the capital is located. A number of social problems, such as overcrowding, housing shortages and an increase in the number of female-headed households, have resulted from this skewed pattern of development.[19]

41. During the period under review, the Immigration Review Commission was working in the Territory. At the beginning of 2004, the Commission presented an immigration report containing proposals for major changes in the immigration laws that would bring them in line with similar laws of the countries in the region. The 82-page report of the Commission includes such immigration issues as "belonger"

status (local citizenship) and permanent residence status, long-term residency, home ownership and investor permits. The Chairman of the Commission admitted that the changes in the immigration law became necessary owing to a substantial increase in the resident population of the Islands that had resulted from the rapid growth in the economy. The increase in population had tremendous impact on health, education and other social services.

42. Members of the Commission spent two and a half months in the investigative phase of their work. They held town meetings in all of the major islands of the Territory. They also travelled to Bermuda, the Bahamas and the Cayman Islands to review the immigration laws in those jurisdictions. The Commission believed it essential for the proper development of the Territory to continue to attract and retain people with specialized skills and expertise. Such skilled specialists are critical for the success of both the tourist and financial sectors. The immigration law is expected to establish a limit of up to seven years maximum for persons to be on work permits. The report recommends that the Government consider granting work permits for no more than five years at a time, renewable for another five years, while bearing in mind the seven-year limit.

43. After the Government studies the report, it will be brought to the Legislative Council for debate. The Government also intends to make copies of the report available to citizens through the district commissioners, at the Immigration Office and on the Internet, in order to encourage wide public discussion of the new immigration law.[20]

44. The report of the Commission indicated, inter alia, that the majority of people in the Turks and Caicos Islands wished to change the term belonger, which gave no indication of nationality, and use another word that would better reinforce a national identity. The Commission considered various proposals, including Turks and Caicos Islander, Turks Islander, TCI, Turcaican, Turkasian and Turcainian. The Commission, however, indicated that it preferred the word Turcaian (pronounced Tur-kay-an) because it reflected both groups of islands and was short and easier to say than the alternatives.[21]

B. Education

45. Education in the Territory is free and compulsory for children between 5 and 16 years of age. There are 14 government-run primary schools and 4 government-run secondary schools. The adult literacy rate is 98 per cent. The pupil-teacher ratio averages 25:1.

C. Health

46. Basic health care is available on the islands through a network of primary health-care clinics and one hospital, located on Grand Turk. The Government has sought to address infrastructural needs, especially on the island of Providenciales, which has a high population growth rate.[19]

D. Crime

47. The Territory is confronted with two major problems related to crime, namely drug trafficking and illegal immigration mostly from Haiti (see A/AC.109/2003/8, paras. 49-51).

48. During the reporting period, as in previous years, the problem of illegal migration from Haiti remained high on the agenda of the law enforcement organs. The Turks and Caicos Islands can be reached by boat in about three days from Haiti, which lies to the south. An average of 400 Haitian boat people arrive in the Territory each month, many of whom are made to believe by smugglers that they are taken to the United States. The Government of the Turks and Caicos Islands has discussed the situation with the Government of Haiti. In particular, the Government of the Turks and Caicos Islands proposed that the Government of Haiti organize a radio transmission that warned the population of the fraudulent schemes. However, the Immigration Ministry of the Turks and Caicos Islands considered that the Haitian Government was not doing enough, and the Territorial Government was ready to take drastic measures. According to the Immigration Ministry official, the possibilities included cancelling all work permits for Haitians. Authorities believed that there are thousands of Haitians living illegally in the capital and surrounding areas. In order to improve the border control, the Territory's police force was given more vehicles, equipment and staff for seeking illegal migrants.[22]

49. During the Overseas Territories Consultative Council meeting held in London in December 2003, the representative of the Turks and Caicos Islands said that the Territory did not have enough vessels to patrol its territorial waters and was unable to prevent illegal fishing boats from the Dominican Republic from entering its waters. The Government had requested additional patrol boats, which would also help control illegal immigration from Haiti. United Kingdom officials, at the same meeting, indicated that the British Government was prepared to offer assistance to the Caribbean Overseas Territories, including to the Turks and Caicos Islands, in three areas: supporting the operation of the customs function in the Territories; supporting and participating in the Caribbean Customs Law Enforcement Council; and providing advice and assistance on upgrading customs-related information technology systems.

E. Environment

50. At the end of 2003, the new Overseas Territories environment programme was launched as a joint initiative of the Foreign and Commonwealth Office and the Department of International Development of the United Kingdom. A total of £3 million was allocated for the programme. The Turks and Caicos Islands, through its Department of Environment and Coastal Resources and its national trust, will benefit from the programme.[23]

V. Relations with international organizations and entities

51. The Turks and Caicos Islands were admitted as an associate member of the Caribbean Community in July 1991. The Territory is also a member of the Caribbean Development Bank and the International Criminal Police Organization.

52. During the Overseas Territories Consultative Council, convened in London in December 2003, the Chief Minister of the Territory, stated that the Turks and Caicos Islands benefited from its associate membership in the Caribbean Community, particularly with respect to education and trade, and was interested in full membership in the organization, as well as in becoming a member of the Association of Caribbean States. He also advocated closer links with the Organization of Eastern Caribbean States and with the Bahamas. In his opinion, the Territory Ministers should have fully delegated responsibility for regional affairs.

53. Support from the United Nations Development Programme (UNDP) continues under the 1998-2003 country programme, which includes technical support in excess of $780,000. The net contributor country classification places the Turks and Caicos Islands in a category that requires full government cost-sharing in UNDP programmes. However, the Territory also benefits from some UNDP regional programmes, such as the regional disaster response and management project and a programme for technical service development. In addition, UNDP continues to concentrate on small business development and employment creation in the Territory, particularly on its less developed islands. UNDP also provides technical support for capacity-building in the public sectors using the United Nations Volunteers.[24]

VI. Future status of the Territory

A. Position of the territorial Government

54. Some aspects of the future status of the Territory related to the constitutional review are referred to in paragraphs 10 to 18 above.

55. During the Overseas Territories Consultative Council meeting held in London in December 2003, the Chief Minister stressed that the goal of the Turks and Caicos Islands was independence but that how the goal was to be achieved would depend on the United Kingdom and the quality of the partnership. He argued that the United Kingdom had a key role to play in preparing the Territories for independence, for those Territories that wanted independence. His vision on partnership, described in the 1999 White Paper as progressive, had not been realized. While other European Governments, in his opinion, had invested heavily in their Overseas Territories, the United Kingdom had not. Discussion should be about how to modernize the relationship, not about how to turn back the clock.

56. During the same meeting, the Chief Minister sought clarification on the position of the United Kingdom on free association. He repeated that the United Kingdom should be preparing the Overseas Territories for independence, but that the goal could not be achieved without giving them greater responsibility. According to him, the United Kingdom appeared to be saying that the Overseas Territories had reached a certain level of constitutional advancement and that the only two options for the Territories were either to maintain their current status or become independent. He asked the United Kingdom to reconsider its approach on how free association could be formulated. If that kind of relationship could work for Bermuda and Gibraltar, there was no reason why it should not work for other Overseas Territories. In response, the United Kingdom representative said that the last thing his Government wanted was a colonial-type relationship, but that there was a limit

as to how far one could go with free association while maintaining the link with the United Kingdom. It would not be possible to grant autonomy to the point where it became de facto independence.

57. The Chief Minister also complained that the Chief Ministers had not been consulted about the agenda of the Council meetings. The agenda should not be driven by the Foreign and Commonwealth Office but rather coordinated with the Overseas Territories Association since all the Overseas Territories were members.

58. During the reporting period, there were numerous reports in the local and Canadian press about the proposals tabled in the Parliament of Canada to incorporate the Turks and Caicos Islands as an eleventh province of Canada. At the beginning of 2004, a member of the Canadian Parliament, who initiated the proposal, met with the Governor of the Territory and the Chief Minister to discuss the relationship between the two entities. According to Canadian sources, in view of Canada's business and trade interests in the Turks and Caicos Islands, coupled with the general preference of the population of the Territory to remain within the Commonwealth, Canada had become the preferred country of association.[25]

B. Position of the administering Power

59. In his statement at the second meeting of the Fourth Committee of the General Assembly, on 6 October 2003, the representative of the United Kingdom said that his Government welcomed the opportunity, as an administering Power, to bring the Committee's attention to a number of significant developments that had taken place during the year (see A/C.4/58/SR.2). Following the adoption of the British Overseas Territories Act 2002, which granted all citizens of those Territories full British citizenship, the right of abode in the United Kingdom and freedom of movement within the European Union, over 14,000 passports had been issued by August 2003. As to environmental management in the Overseas Territories, the representative said that his Government was working closely with the Territories to fulfil the commitments it had entered into under multilateral agreements and to support the efforts of the Territories themselves to protect and improve their environment.

60. With respect to the constitutional reviews, discussions were under way in the Cayman Islands, the Falkland Islands, Gibraltar, Montserrat and the Turks and Caicos Islands. The authorities of Anguilla had set up a committee to canvas views from the population at large and a locally appointed review commission was expected to be established shortly in the British Virgin Islands. St. Helena was currently considering a new form of government. In terms of the Committee's specific interests, two years into the Second International Decade for the Eradication of Colonialism, perhaps the most significant development had been the decolonization seminar that had been held in Anguilla from 20 to 22 May 2003 since it was the first time that the seminar had been held in a British Non-Self-Governing Territory. The choice of venue and the focus of the seminar had meant that several chief ministers and their equivalents, as well as opposition leaders and civil society representatives, had been able to attend. The representative of the United Kingdom said that the seminar had shown the extent to which many of the British Overseas Territories had dynamic and advanced economies, which already benefited from a high degree of self-government.

61. The representative said that the United Kingdom had the impression that there was no strong desire in its Territories to choose the path of independence, even though his Government had made it clear that it would give encouragement where independence was an option. The key, therefore, as long as the Territories chose to retain their link with the United Kingdom, would be to try to reconcile their desire for greater autonomy and self-government with the United Kingdom's responsibility to ensure good governance, to protect the impartiality of the public service and the independence of the judiciary, and to ensure compliance with relevant international obligations.

62. In his closing remarks during the fifth Overseas Territories Consultative Council, convened in London from 8 to 10 December 2003, the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs said that the role of Governors vis-à-vis constitutional reform was based on the principle of partnership. According to the Under-Secretary of State, the concept of free association advanced by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples would not be inconsistent with that position, if it meant mutual acceptance by both sides, because the United Kingdom Government had responsibilities to protect. But if it meant, as he sensed to be the argument of some Territory Governments, that some territories would draw their own constitutions free of outside interference, the United Kingdom would not agree with that. The Under-Secretary went on to add that his Government valued its relationship with the Territories. It would not wish to force them into independence, although it would respond positively, where this was an option (i.e., not Gibraltar) if that was the clear and constitutionally expressed wish of the people. The United Kingdom respected the fact that for some Territories independence might be the long-term objective. He stressed, however, that while the Territories retained a link with the United Kingdom, their governance should be in partnership with it.[26]

C. Consideration by the General Assembly

63. On 9 December 2003, the General Assembly adopted, without a vote, resolution 58/108 A-B, section X of which is devoted the Turks and Caicos Islands.

Notes

[1] The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations.

[2] *BBC Monitoring Americas* — Political London; 8 December 2002.

[3] www.eiu.com; BBC Monitors Americas, 24, 25 April 2003.

[4] Turks and Caicos Free Press, 29 June 2003; BBC Monitors Americas, 26 and 29 June; 7, 8, 12, 14, 18 and 28 August 2003; Caribbean Insight, 15 August 2003.

[5] www.eiu.com; Turks and Caicos Free Press, 5 March 2004.

[6] Economist Intelligence Unit, *Country Profile: Turks and Caicos Islands, 2000/2001*.

[7] For the letter of commitment and the plan see: http://www.oecd.org/pdf/M00027000/M00027080.pdf.

[8] Business Insurance, 10 March 2003.

[9] International Money Marketing, 9 March 2004.

[10] Business Insurance, 10 March 2003.

[11] TCI Island Profile (www.tcinvest.tc/tc).

[12] www.eiu.com.

[13] Economist Intelligence Unit, *Country Profile: Turks and Caicos Islands, 2000/2001*.

[14] BBC Monitoring Americas, 13 May 2003.

[15] Travel Markets Insider Vol. 7 No. 7, January 2004; Caribbean Insight No. 26, January 2004.

[16] Economist Intelligence Unit, *Turks and Caicos Islands, February 2003*.

[17] Economist Intelligence Unit, *Country Profile: Turks and Caicos Islands, 2000/2001*.

[18] www.eiu.com.

[19] *1998 Caribbean Basin Profile*.

[20] Turks and Caicos Free Press, 5 March 2004.

[21] Ibid.

[22] www.haiti-info.com.

[23] www.fco.gov.uk.

[24] *Turks and Caicos Weekly News*, 13-26 January 2001.

[25] www.Canada.com.

[26] Report of the proceedings of the Fifth Overseas Territories Consultative Council, 8-10 December 2003, annex F, closing remarks by Mr. Rammell.